

**ASSEMBLY BILL**

**No. 2755**

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**Introduced by Assembly Member Hayashi**

February 22, 2008

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An act to add Section 19011.5 to the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 2755, as introduced, Hayashi. Personal taxes: payments: electronic remittance.

The existing Corporation Tax Law requires taxpayers whose tax liability exceeds specified amounts to remit payment to the Franchise Tax Board by electronic funds transfers if any of 3 specified conditions exists.

This bill would require personal income taxpayers with estimated tax or extension payments in excess of \$20,000 or total tax liability in excess of \$80,000 to remit payments to the Franchise Tax Board by electronic funds transfers, subject to specified requirements.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 19011.5 is added to the Revenue and
- 2 Taxation Code, to read:
- 3 19011.5. (a) All payments required under this part, regardless
- 4 of the taxable year to which the payments apply, made on or after
- 5 January 1, 2009, shall be electronically remitted to the Franchise

1 Tax Board in the form and manner prescribed by the Franchise  
2 Tax Board, once any of the following conditions are met:

3 (1) With respect to any individual, any installment payment of  
4 estimated tax made pursuant to this part in excess of twenty  
5 thousand dollars (\$20,000) or any payment made pursuant to  
6 Section 18567 with regard to an extension of time to file exceeds  
7 twenty thousand dollars (\$20,000) for any taxable year beginning  
8 on or after January 1, 2009.

9 (2) With respect to any individual, the total tax liability exceeds  
10 eighty thousand dollars (\$80,000) in any taxable year beginning  
11 on or after January 1, 2009. For purposes of this section, total tax  
12 liability shall be the total tax liability as shown on the original  
13 return, after any adjustment made pursuant to Section 19051.

14 (b) A taxpayer required to electronically remit payment to the  
15 Franchise Tax Board pursuant to this section may elect to  
16 discontinue making payments where the threshold requirements  
17 set forth in paragraphs (1) and (2) of subdivision (a) were not met  
18 for the preceding taxable year. The election shall be made in a  
19 form and manner prescribed by the Franchise Tax Board.

20 (c) Any taxpayer required to electronically remit payment  
21 pursuant to this section who makes payment by other means shall  
22 pay a penalty of 10 percent of the amount paid, unless it is shown  
23 that the failure to make payment as required was for reasonable  
24 cause and was not the result of willful neglect.

25 (d) Any taxpayer required to electronically remit payments  
26 pursuant to this section may request a waiver of those requirements  
27 from the Franchise Tax Board. The Franchise Tax Board may grant  
28 a waiver only if it determines that the particular amounts paid in  
29 excess of the threshold amounts established in this section were  
30 not representative of the taxpayer's tax liability. If the Franchise  
31 Tax Board grants a waiver to a taxpayer, subsequent electronic  
32 remittances shall be required only on those terms set forth in the  
33 waiver.

34 (e) For purposes of this section, Chapter 3.5 (commencing with  
35 Section 11340) of Part 1 of Division 3 of Title 2 of the Government  
36 Code does not apply to any standard, criterion, procedure,  
37 determination, rule, notice, or guideline established or issued by  
38 the Franchise Tax Board pursuant to subdivision (a).

1 (f) For purposes of this section, “electronically remit” means  
2 to send payment through use of any of the electronic payment  
3 applications provided by the Franchise Tax Board.

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